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Stewardship responsibilities for Governance for Owners Japan KK

Established on May 27, 2014
Amended on July 8, 2015
Amended on October 3, 2015
Amended on July 6, 2016
Amended on July 20, 2017
Amended on June 6,2018
Amended on July 25,2019
Amended on September 16,2020
Amended on July 20,2021
Amended on July 6,2022

Governance for Owners Japan KK (GO Japan) is a joint venture which is owned 60% by GO Investment Partners Group LLP(GO) in London and 40% by Tokio Marine Asset Management (TMAM) in Tokyo.
The founders of GO are pioneers in the field of responsible share ownership, with experience in shareholder engagement and governance stretching back to 1996.

GO Japan has provided a 'Japanese way' of Japan Stewardship Services (JSS,GO Stewardship Services Ⓡ)for like-minded responsible global Investors since 2007.
GO Japan also provides engagement and investment advisory services as Japanese FSA registered investment adviser to the TMAM-GO Japan Engagement Fund (JEF) that brings together the Japanese market expertise of TMAM and the constructive and cooperative style of shareholder engagement of GO.

Representative Director is a member of the Council of Experts Concerning the Japanese Version of the Stewardship Code including the Council for its revision, the Council of Experts Concerning the Corporate Governance Code and the Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code.
GO Japan strongly supports the introduction of both Codes and is delighted to publicly declare our acceptance of the Japan's Stewardship Code.

We believe that a robust Code faithfully applied by a critical mass of institutional investors will enhance board and management accountability at investee companies and help the Code to realise its objective of promoting sustainable growth of the company and enhancing the medium- and long-term investment return of clients and beneficiaries.

Below is a summary of how GO Japan applies Japan's Stewardship Code.

In addition to the principles, guidance includes the certain actions which should (or should not) be taken by institutional investors. GO Japan should be held accountable by its clients for applying such guidance. By adhering to such standards, we believe that we can fulfil accountability not superficially but substantively about the principles as well.

Principle 1	**Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.**

Guidance 1-1. Institutional investors should aim to enhance the medium- to long-term return on investments for their clients and beneficiaries by improving and fostering investee companies' corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment and consideration of sustainability (medium- to long-term sustainability including ESG factors) consistent with their investment management strategies.

At the heart of our approach is the belief, which is supported by PRI Principle 1 and 2, that active ownership in the form of rigorous and long-term oriented analysis based on consideration of sustainability of engaged companies and constructive and meaningful engagement with boards and management, improves discipline, accountability, and long-term returns to shareholders.

Guidance 1-2. Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities (hereafter, "stewardship policy") and publicly disclose it. The stewardship policy should cover how they define the responsibility and how they fulfill it, in view of their role in the investment chain running from their clients and beneficiaries to the investee companies.
Institutional investors should clearly specify how they take the issues of sustainability into consideration in their policy, consistent with their investment management strategies.

To realize our approach, GO Japan engage with the boards and management of Japanese listed companies, major ones mainly through the JSS and those of small and mid-cap ones mainly in the JEF.

In-depth knowledge of each company is needed and constructive engagement on matters such as management, business and strategy requires a broad range of engagement skills and resources.
We have therefore assembled full-time staff and advisors with broad and deep experience in sustainability, managing investments and operating businesses.

We also believe that shareholders cannot and should not micro-manage companies, for which management is responsible under effective oversight

by the board of directors.
Shareholders can, however, play an important role by constructive engagement in areas such as governance, strategy, performance, capital structure, business risks and opportunities (including risks and opportunities arising from social and environmental matters), and how the companies address them.

Based upon this belief, GO Japan takes a multi-faceted approach to stewardship responsibilities, which involves:

- Voting advice on shares at clients' portfolio company meetings;
- Engagement with the boards and management of companies about issues material to enhance corporate value; and
- Transparency regarding stewardship activities.

This approach is aligned with the principles, including guidance, of Japan's Stewardship Code and we endeavour to fulfil accountability not superficially but substantively about the principles dominating guidance as well by being accountable in more detail for such guidance as found in the other principle-specific sections of this Policy.

Guidance 1-3.(Omitted because only applicable to asset owners.)

Guidance 1-4.(Omitted because only applicable to asset owners.)

Guidance 1-5.(Omitted because only applicable to asset owners.)

Principle 2 Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Guidance 2-1.While institutional investors should put the interest of their client and beneficiary first in conducting stewardship activities, they inevitably face the issue of conflicts of interest from time to time, for example when voting on matters affecting both the business group the institutional investor belongs to and a client or beneficiary. It is important for institutional investors to appropriately manage such conflicts.

We are well aware that conflicts of interest pose a serious concern in the investment chain.

GO Japan is a joint venture which is 60% held by GO in London and 40% held by TMAM in Tokyo.
GO, as a majority shareholder, maintains an independent ownership structure. This allows GO Japan to apply independent judgment without putting any other interest of direct or indirect shareholders before that of our clients.

Furthermore, to ensure close alignment of interest between GO personnel and investors in the JEF, we require our senior executives to make a substantial investment in the JEF.

Guidance 2-2.Institutional investors should put in place and publicly disclose a clear policy on how they effectively manage key categories of possible conflicts of interest.
(Skip the rest because only applicable to asset managers.)

Apart from GO's independent ownership structure which secures the independence of GO Japan's stewardship activities, our policy is to avoid accepting organizations such as Japanese quoted companies as clients where conflicts of interest could arise. This further protects the interests of our clients.

Guidance 2-3.(Omitted because only applicable to asset managers.)

Guidance 2-4.(Omitted because only applicable to asset managers.)

Principle 3 Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

Guidance 3-1.Institutional investors should appropriately monitor investee companies so that institutional investors can fulfill their stewardship responsibility with the aim of enhancing the medium-to long-term corporate value and capital efficiency and supporting the sustainable growth of the companies.

We believe that shareholders cannot and should not micro-manage companies, for which management is responsible under effective oversight by the board of directors.

Consistent with the thrust of Japan's Stewardship Code, our aim is to contribute to enhancing long-term corporate value and capital efficiency and supporting sustainable growth of Japanese companies.

Our efforts are focused on monitoring in compliance with General Principles, Principles and Supplementary Principles of the Japan's Corporate Governance Code.

Guidance 3-2.Institutional investors should monitor investee companies continuously and review as appropriate the effectiveness of the monitoring.

Guidance 3-3.When investors monitor investee companies, a variety of factors, including non-financial ones, may be considered as relevant. Factors may include, for example, the investee companies' governance, strategy, performance, capital structure, business risks and opportunities (including risks and opportunities arising from social and environmental matters), and how the companies address them. Relevance of a factor may depend on each investor's investment management strategy and may differ according to specific investee companies. Institutional investors need to use their own judgment in choosing which factors to focus on in light of their stewardship responsibilities. They should endeavor to identify at an early stage issues that may result in a material loss in the value of investee companies.

We focus on monitoring in compliance with General Principles, Principles and Supplementary Principles of the Japan's Corporate Governance Code through public information of companies, meetings for investors and regular private meetings with companies. Therefore our interest includes issues such as governance, strategy, performance, capital structure, business risks and opportunities (including risks and opportunities arising from social and environmental matters) and how the companies address them.

This enables us to identify the unique issues that are critical to each company and forms part of our constructive approach to engagement.
We believe this leads to more productive meetings and allows more efficient use of management and board members' time.

We aim at enhancing long-term corporate value and capital efficiency and supporting the sustainable growth of Japanese companies.
Therefore we endeavor to monitor materiality of ESG factors constituting sustainability, not by evaluating those individually, but by doing so in relation to financial criteria in terms of risks of possible loss in corporate value and opportunities of new creation in it.
This is supported by PRI Principle 1.

Principle 4 Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Guidance 4-1.Institutional investors should endeavor to arrive at an understanding in common with investee companies through constructive dialogue with the aim of enhancing the companies' medium-to long-term value and capital efficiency, and promoting their sustainable growth. In case a risk of possible loss in corporate value is identified through the monitoring of and dialogue with companies, institutional investors should endeavor to arrive at a more in-depth common understanding by requesting further explanation from the companies and to solve the problem.

Guidance 4-2.When they engage in the issues of sustainability, institutional investors should consciously engage in dialogue that is consistent with their investment management strategies and that leads to the medium- to long-term increase of corporate value and the sustainable growth of companies.

Guidance 4-3.Because passive management provides limited options to sell investee companies' shares and needs to promote their medium- to long-term increase of corporate value, institutional investors should actively take charge of engagement and voting from a medium- to long-term perspective.

Guidance 4-4.Institutional investors should have a clear policy in advance on how they design dialogue with investee companies in various possible situations.

Engagement should be judged on the quality of its outcomes and not by quantitative measures.
Quality engagement requires the involvement of engagement specialists with significant levels of experience and seniority in business and long-term investment matters based on consideration of sustainability.
It is highly resource intensive and the number of companies on which our specialists can engage at any one time is therefore limited.

We aim to ensure that professionals with a broad range of business and long-term investment skills based on consideration of sustainability are involved in our engagement meetings.
We also prefer to engage with companies behind the scenes so that dialogue

can be both candid and constructive.

We are always willing to spend time building credibility with management and directors so that we can reach a mutual understanding.
We share our engagement agenda at meetings with companies and our aim is always to contribute to sustainable growth, capital efficiency and enhancement of long-term value.
Our objectives, when fully understood, should therefore be aligned with those of the board and are generally also supported by the institutional investors that are our clients.

We therefore hope that company management and boards will work with us on the shared engagement agenda to the benefit of all involved.

Guidance 4-5.In addition to institutional investors engaging with investee companies independently, it would be beneficial for them to engage with investee companies in collaboration with other institutional investors (collaborative engagement) as necessary.

GO Japan is neither an asset manager nor an asset owner.
However Japan Engagement Consortium as a part of JSS, which we provide for institutional investors who have a keen interest in and commitment to active share ownership of investee companies in Japan, functions as an investors' forum for collaborative engagement.

Guidance 4-6.In principle, institutional investors can well have constructive dialogue with investee companies based on public information, without receiving information on undisclosed material facts. The "G20/OECD Principles of Corporate Governance" and the Tokyo Stock Exchange's "Japan's Corporate Governance Code" set the principle of the equitable treatment of shareholders, which applies to the handling of undisclosed material facts. Institutional investors that have dialogue with investee companies should be aware that the companies are expected to abide by the principle and should in essence be discreet in receiving information on undisclosed material facts.

Our engagement agenda will focus on issues such as governance, strategy, performance, capital structure, business risks and opportunities (including risks and opportunities arising from social and environmental matters), and how the companies address them.
Therefore we do not normally need nor expect to receive information on undisclosed materials facts.

If by any chance companies inform us of material facts that have not been disclosed to the market, internal control and compliance departments take the lead to resolve the issues arising as soon as is practical.

Principle 5 Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist: it should be designed to contribute to sustainable growth of investee companies.

Guidance 5-1.Institutional investors should seek to vote on all shares held. They should decide on the vote in light of the results of the monitoring of investee companies and dialogue with them.

Guidance 5-2.Institutional investors should have a clear policy on voting and publicly disclose it. Institutional investors should try to articulate the policy as much as possible. The policy should not be comprised only of a mechanical checklist: it should be designed to contribute to sustainable growth of the investee company.

Voting is an essential element of stewardship activities.

We help our clients, both asset owners and asset managers, develop an appropriate voting policy for Japan and advise them on voting at the general meetings of companies in their portfolios.

We aim to give advice on voting in an informed and pragmatic manner by taking into consideration a company’s unique circumstances.

Guidance 5-3.Institutional investors should at a minimum aggregate the voting records into each major kind of proposal, and publicly disclose them.
Furthermore, to enhance visibility of the consistency of their voting activities with their stewardship policy, institutional investors should disclose voting records for each investee company on an individual agenda item basis. If there is a reason to believe it inappropriate to disclose such company-specific voting records on an individual agenda item basis due to the specific circumstances of an investor, the investor should proactively explain the reason.
At the time of their voting records disclosures, it is also considered beneficial in enhancing visibility for institutional investors, to explicitly explain the reasons why they voted for or against an agenda item. In particular, institutional investors should disclose their voting rational with respect to either “for” or “against” vote, which are considered important from the standpoint of constructive dialogue with the investee companies, including those perceived to have conflicts of interest or those which need explanation in light of the investors’ voting policy.

Our clients are responsible institutional investors and we encourage them to disclose their voting policy and voting records for each investee company on an individual agenda item basis in their web-sites and provide explanations.

Principle 6 Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Guidance 6-1.(Omitted because only applicable to asset managers.)

Guidance 6-2.(Omitted because only applicable to asset owners.)

Guidance 6-3.When reporting to their clients and beneficiaries, institutional investors should choose the format and the content of the reports in light of any relevant agreement with the recipients and the recipients' convenience, and the costs associated with the reporting, and should aim to deliver effective and efficient reports.

We believe that periodical reporting on progress of engagement with each company to our clients helps to provide transparency with respect to stewardship activities.

We report on update status of engagement over time and provide regular quarterly reports to our clients through meetings with them.

We also make use of a quarterly meeting as an opportunity to get input, advice and support by our clients to improve further our stewardship activities.

Guidance 6-4.Institutional investors should maintain a clear record of their stewardship activities, including voting activities, to the extent necessary to fulfill their stewardship responsibilities.

We keep a written record of all individual meetings on stewardship activities. The quarterly report provides a clear record of our engagement and voting activities.

Principle 7	**To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.**

Guidance 7-1.To make dialogue with investee companies constructive and beneficial, and to contribute to the sustainable growth of the companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the companies and their business environment and consideration of sustainability consistent with their investment management strategies. Institutional investors should have the necessary internal structure to have appropriate engagements and make proper judgments.

GO Japan’s executive team has been built on the belief that a combination of engagement specialists with specific skills in business and long-term investment based on consideration of sustainability is needed to make engagement activities constructive and beneficial.

We are very proud that our advisory committee on engagement, comprising highly experienced Japanese industrialists with diverse backgrounds, skills and networks, helps GO Japan’s executives build credibility with companies.

Guidance 7-2.In particular, the management of institutional investors should have appropriate capability and experience to effectively fulfill their stewardship responsibilities, and should be constituted independently and without bias, in particular from their affiliated financial groups.
The management of institutional investors should also recognize that they themselves have important roles and responsibilities to carry out stewardship activities such as enhancing dialogue, structure their organizations and develop human resources, and take action on these issues.

GO Japan’s Representative Director is a member of the Council of Experts Concerning the Japanese Version of the Stewardship Code including the Council for its revision, the Council of Experts Concerning the Corporate

Governance Code and the Council of Experts Concerning the Follow-up of Japan’s Stewardship Code and Japan’s Corporate Governance Code.

Under his conduct, GO Japan is composed only of specialists who have appropriate capability and experience to effectively fulfill the stewardship responsibilities.
We aim to realize a virtuous circle to contribute to the sustainable growth and the capital efficiency of the companies thereby the long-term corporate value with more experience though day-to-day engagement activities

Guidance 7-3.Exchanging views with other investors and having a forum for the purpose may help institutional investors conduct better engagement with investee companies and make better judgments.

The concept of an investors’ forum for clients to exchange views with each other underpins our stewardship activities.
We participate in global institutional investors’ networks such as PRI, ICGN, ACGA and so forth and serve as a member of those committees where necessary. By doing so, we aim to achieve world class stewardship activities.

We believe this helps institutional investors conduct better engagement programmes and helps them make better investment decisions.

Guidance 7-4.Institutional investors should endeavor to improve their policies based on the Code and the quality of their stewardship activities by reviewing at an appropriate timing the status of their implementation of each principle, including guidance.
In particular, asset managers should regularly conduct self-evaluations with respect to the status of their implementation of each principle, including guidance, and disclose the results toward continued improvement of their governance structures, conflicts of interest management, and stewardship activities, etc., and disclose such results together with the results of their stewardship activities including dialogue with companies. In doing so, asset managers should be conscious that these are consistent with their investment management strategies and lead to the medium- to long-term increase of corporate value and the sustainable growth of companies.

We constantly aim to improve our stewardship activities through reporting to clients and reviews by our advisory committee and company board.
We will update the status of our stewardship activities of each principle, including guidance, and disclose it where necessary.
We believe that we should not submit to tokenism such as to regard having a dialogue itself as the aim, under this kind of qualitative evaluation.

Governance for Owners
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Our aim is to improve long-term corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment.
We therefore think it appropriate to evaluate this in a quantitative way by our self-valuations.

GO Japan has created a virtual portfolio of Japanese companies where we have engaged on behalf of clients and compared the performance of this portfolio with the market index over time.
This self-evaluated quantitative analysis of our engagement results since 2009 is attached.

While the above-mentioned self-evaluated analysis has a limitation in objectivity eventually, GO Japan had an opportunity to entrust independent and objective academic analysis of our engagement to four professors in Japan, UK and Europe, who proposed it because of their interest in our engagement activities, under non-disclosure agreement. They have published the below academic paper titled “Outsourcing Active Ownership in Japan”

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3864310

Principle 8	**Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.**

Guidance 8-1.Service providers for institutional investors including proxy advisors and investment consultants for pensions should identify specific circumstances that may give rise to conflicts of interest, put in place a clear policy how to manage them effectively, develop structures for conflicts of interest management, and disclose such measures.

We are well aware that conflicts of interest pose a serious concern in the investment chain.

GO Japan is a joint venture which is 60% held by GO in London and 40% held by TMAM in Tokyo.
GO, as a majority shareholder, maintains an independent ownership structure. This allows GO Japan to apply independent judgment without putting any other interest of direct or indirect shareholders before that of our clients.

Apart from GO's independent ownership structure which secures the independence of GO Japan's stewardship activities, our policy is to avoid accepting organizations such as Japanese quoted companies as clients where conflicts of interest could arise. This further protects the interests of our clients.

Guidance 8-2.Proxy advisors should develop appropriate and sufficient human and operational resources, including setting up a business establishment in Japan in order to provide asset managers with proxy recommendations based on accurate information on specific companies. They should also disclose with specificity the voting recommendation process, including the above measures to assure transparency.

GO Japan aim to give advice on voting in an informed and pragmatic manner by taking into consideration a company’s unique circumstances.
For this reason, we need to hold many meetings with companies on voting issues throughout the year and not just immediately prior to the AGM. In order to realize this, we established GO Japan in 2007 as Japanese corporation.

We help our clients, both asset owners and asset managers, develop an appropriate voting policy for Japan and advise them on voting at the general meetings of companies in their portfolios. In order to be able to give voting advice in an informed and pragmatic manner during the AGM season, we divert additional resources to this task and limit the number of clients who use our voting services and companies where we vote to maintain the quality of our service.

Guidance 8-3.In providing proxy recommendations, proxy advisors should rely upon corporate disclosure, and actively exchange views with companies upon necessity.Upon the request from a company that is the subject of a proxy recommendation, it is considered to contribute to secure accuracy of the information that is the basis for the recommendation and transparency that the proxy advisors provide the company with an opportunity to confirm whether such information is accurate, etc., and provide the submitted opinion of the company to their clients together with the recommendation.

In order for voting to contribute to sustainable growth of companies, we believe it is important that boards and management understand the reasoning behind our clients’ voting decisions.
For this reason, we endeavor to share our expectations and concerns with companies through many meetings on voting issues throughout the year and not just immediately prior to the AGM.

If appropriate, we help our clients to write follow up letters to companies on voting issues and engage on their behalf with company representatives.

Reference materials for stewardship responsibilities by GO Japan

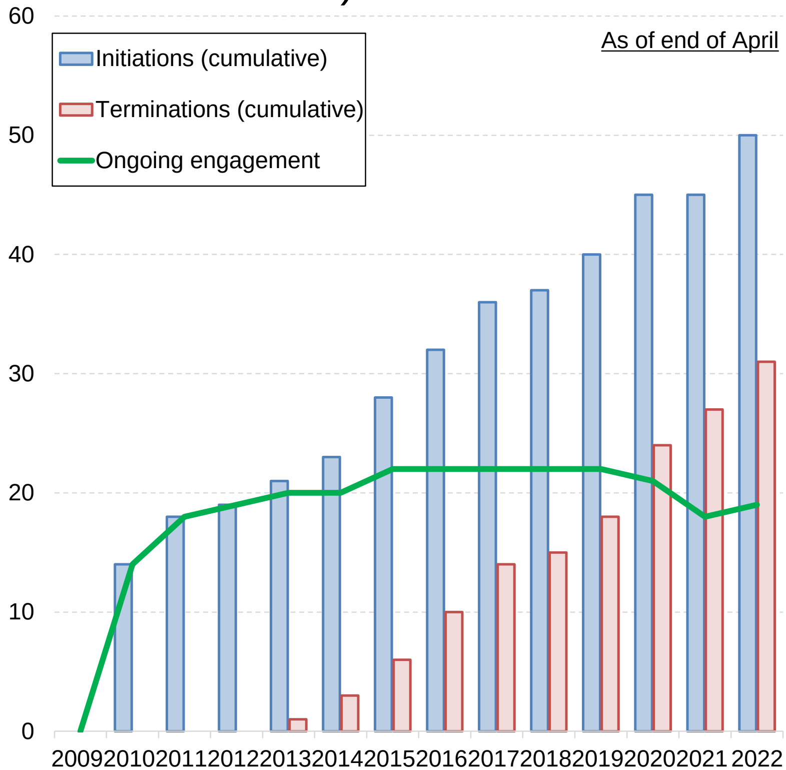
Analysis of our 13-year engagement results

Governance for Owners Japan KK

6th July 2022

of companies for engagement overlay

- The timing to start each engagement overlay is decided based on GOJ board approval or by a contract between a client and GOJ.
- GOJ started engagements with 2 companies in May 2009. It ended an engagement in March 2013 for the first time. The annual “turnover ” over the 9 years (years since the first exit) is 12.6%



As of April 2021	Engagement overlay	+	Others
	19		14
Total	33		

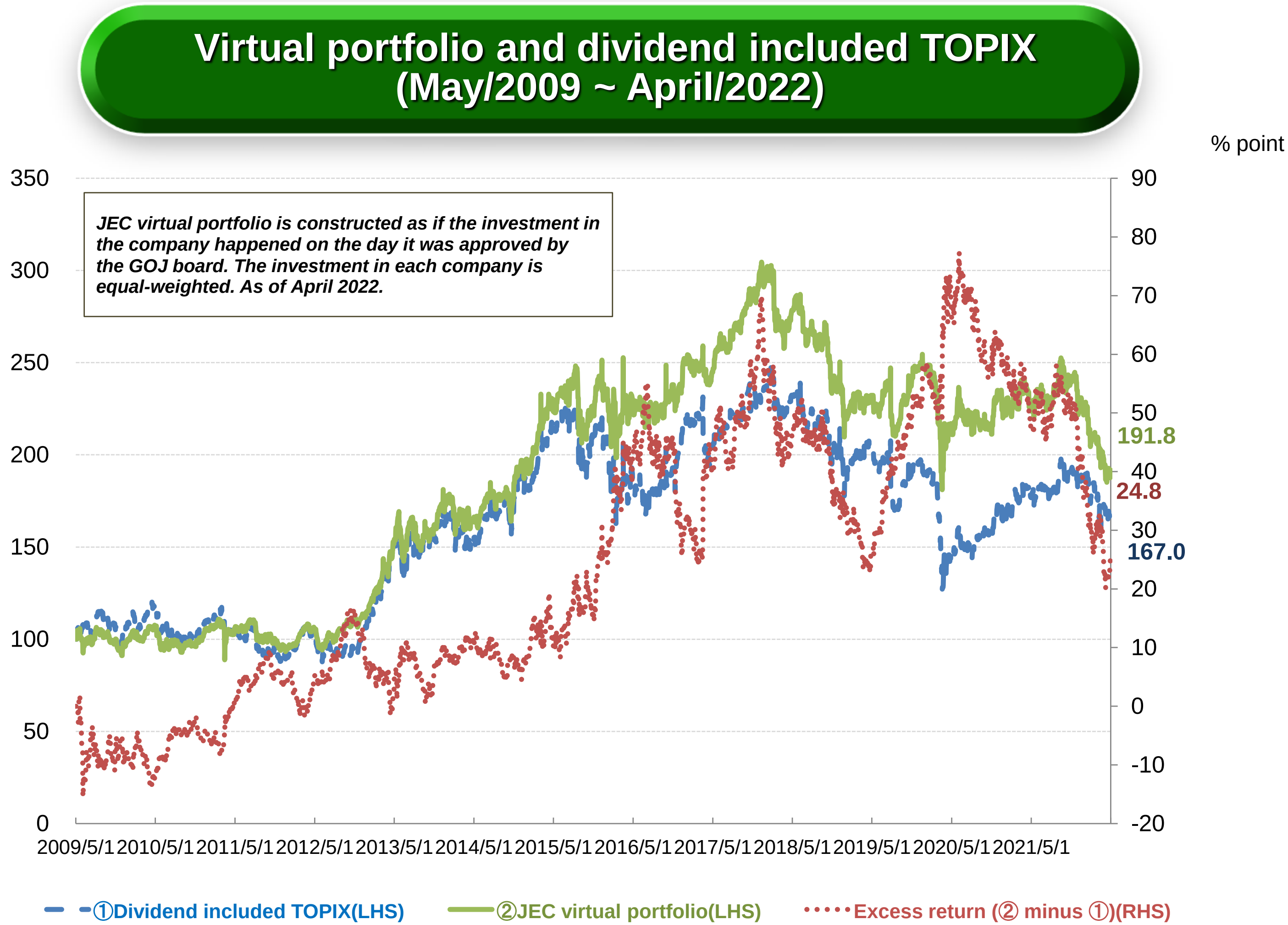
Engagement overlay “virtual” portfolio

- The chart on the next page compares Dividend included TOPIX with engagement overlay “virtual” portfolio’s valuation over time.
- Companies are added and removed from this virtual portfolio on the date of the GO Japan board meeting that approves the start of or end of engagement activities or on the date that is stipulated in a contract between a client and GOJ.
- The investment in each company is equal weighted in the virtual portfolio.

(Notes)

- Given the limitation of universe as investee companies of clients and target number of investee companies as 20 to maintain quality of engagement, the portfolio could be making an implicit factor bet
- As the selection of companies has been made based on the amount of holding by clients and the possibility for constructive dialogue, maximizing return on the portfolio has not been the prime consideration for selection and exit
- Shape of excess return is thought to be more important than excess return itself

Engagement overlay "virtual" portfolio - CHART



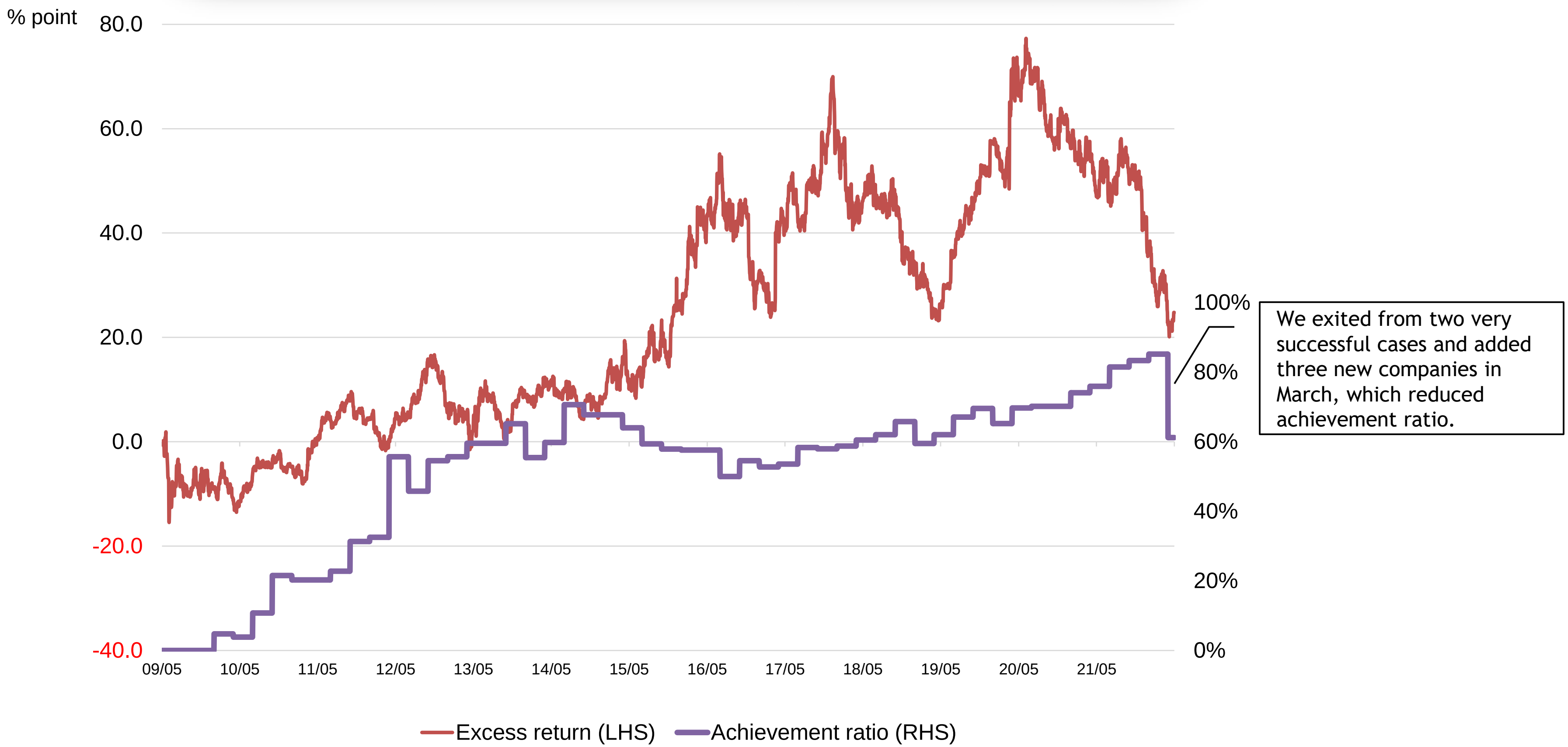
Analysis of engagement results

- The chart on the next page compares the excess return of the virtual portfolio with the ratio of realized engagement objectives calculated based on the quarterly reports to clients (See the last page as reference)
  - ✓ The ratio is the number of objectives where the concrete change has been objectively confirmed to the total number of objectives (the theoretical upper limit of ratio is less than 100% because of continuing new selection of investee companies)
  - ✓ For reference, the ratio is approximately 10% for an experimental study of a same kind service in the UK although its criteria of evaluation is unclear
  - ✓ The average number of objectives per investee is 3.5 (the objectives include 40% for strategy and performance, 17% for capital structure and 43% for ESG issues)

- Initially the value chart shows the downward trajectory of a J curve reflecting the time lag before engagement successes were achieved across the new portfolio. Subsequently engagement successes on older investee companies appear to add value although it should be noted that the impact of this may be offset by the downward impact of newly chosen investee companies
  - ✓ For the 14 quarters since the inception of the engagement overlay services in 2Q 2009 until the start of static state after achieving the target number of 20 companies and the ratio of realized engagement of 50% in 3Q 2012, the regression analysis with X axis as the ratio of realized engagement objectives and Y axis as the excess return (geometric method) shows that the regression coefficient is positive and ***the confidence coefficient of direct correlation is more than 90%.***

Analysis of engagement results – CHART

Excess return shown before and
Ratio of realized engagement objectives on a quarterly basis



Reference: engagement overlay companies and engagement agenda

	Engagement agenda	
Company A*	・Mid-term business plan showing target ROIC	△
	・More proactive IR	✓
	・Board independence and skill sets	✓
Company B*	・Raise the mid to long term shareholder payout target to 40%	✓
	・Disclosure of growth strategy and capital policy	✓
	・Revival of land line business	✓
	・Accountability of investment in J:COM	△
	・Board independence	✓
Company C*	・Support the management for ongoing restructuring	✓
	・Target setting of ROIC or ROE by segment	△
	・Divest underperforming businesses	✓
Company D*	・Profitability improvement by business selection	△
	・Capital management, Accountability for invetment securities	✓
	・Abolish takeover defence measure / Board independence	✓
	・More performance-linked remuneration	✓
Company E*	・Target setting of capital efficiency	△
	・Effective B/S management (cash as 42% of total assets)	✓
	・Board independence, Succession planning	✓
	・More performance-linked remuneration	✓
Company F*	・Business selection: credibility and accountability of continued M&As	△
	・Strategy to expand business in overseas	△
	・Board independence / Succession planning of Chairman & CEO	✓
	・More performance-linked remuneration	△
Company G*	・Board independence, diversity, and succession planning	✓
	・Profitability improvement	△
	・Accountability to expand the peripheral businesses	△
	・Capital efficiency	
Company H	・Board independence, diversity, and succession planning	△
	・Achieve profitability that is as high as global peers	
	・Capital efficiency	
	・Continuous initiative to develop leading technologies	△
Company I	・Board independence and diversity	✓
	・More performance-linked remuneration	✓
	・Improve profitability of overseas business	
	・Accelerate streamlining and consolidation of the group businesses	✓

	Engagement agenda	
Company J*	・Board independence and diversity	✓
	・Capital efficiency	△
	・Improve information disclosure	△
Company K	・Establish a new growth driver: healthcare or other businesses	△
	・Capital efficiency	△
	・Board effectiveness and diversity	
Company L*	・Improve governance transparency to enhance healthier corporate culture	
Company M	・Restore business profitability	
	・Board effectiveness and diversity	△
	・Enhance information disclosure on human development and ES matters	△
Company N	・Improve risk scores by third-party research firms such as Sustainalytics	
	・Introduction of sustainability criteria into equity-linked remuneration	
	・Monitor use of JERA's free cash flow	
	・Monitor the process of restarting nuclear plants	
Company O*	・New energy development and appropriate disclosure	
	・Decarbonisation of existing businesses	
	・Improve board diversity	
	・Board rejuvenation, succession	
Company P	・Improve risk scores by third-party research firms such as Sustainalytics	
	・Develop projects that contribute to carbon neutral	
	・Proactive use of M&A strategy	
	・Develop the next generation of board members	
Company Q*	・Capital efficiency	△
	・Business strategy: human capital development and M&A	
	・Improved skillsets of the board	
	・Proactive IR & Improving stock liquidity	△
Company R*	・Business strategy: human capital development and M&A	
	・Capital efficiency	
	・Proactive IR and better investor communication	
Company S*	・Business strategy: market share increase and industry consolidation	
	・Capital efficiency	△
	・Board independence and board skillsets	

# of agenda	67
✓: The agenda has been realized.	20
△: The agenda has been partially realized.	21
# of ✓ and △	41
Ratio	**61%**